

Buying it Right! Developing a Written Procurement Plan

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Objectives

To assist School Food Authorities in writing
the Food Service Procurement Plan



School Food Authority Questions

I am a member of XYZ Purchasing Group. I also get groceries from ABC Company and USDA Foods.

- For years, I have maintained a database with details such as package sizes and prices for every product purchased from XYZ awarded distributor, ABC Company, and USDA Foods including anywhere else I may get something on a regular basis.
- I check prices every week and update prices in the database.
- I am adding a spot in the database for a justification if I am not purchasing the lowest price of an item.

❖ I feel that the procurement process is made very complicated. I understand why we need to have a procurement plan but it should not be so complicated.



School Food Authority Questions

We have always been included in other schools buying groups.

- For our main vendor, we have pricing through Company A with the XYZ School District;
- We purchase milk and dairy with D Dairy with ABC School District. How should I go about writing a procurement plan for next year?



Tools

- Local District Approved Board Policies – specifically one titled Purchases – Bidding. Usually found in the 700 series-Non-Instructional Operations and Business Services
- Child Nutrition Programs operated? Most districts operate the National School Lunch Program and School Breakfast Program
- Board approved Code of Conduct

Local Purchase Threshold

- The board approved policy for:
 - Purchases of goods and services **under** "\$X" requires no competitive bidding
 - Purchases of goods and services **over** "\$X" or more but **under** "\$Y", requires obtaining quotes or pricing
 - Purchases of goods and services **over** "\$Y" requires competitive sealed bids or competitive proposals

Micro-Purchases

2 CFR 200.320(a)

Micro-purchases < \$3,500

- Aggregate dollar amount of the procurement event does not exceed the micro-purchase threshold
- Must distribute micro-purchases *equitably* among qualified suppliers
- May be awarded without soliciting competitive quotations if the School Food Authority (SFA) considers the price to be reasonable

Federal Small Purchase Threshold

- \$150,000
 - A procurement event where the aggregate amount is more than \$150,000, a formal procurement method must be used
 - ❖ Competitive sealed bids
 - ❖ Competitive Proposals or Request for Proposals

Determine Restrictive Threshold

Procurement Requirements

- <\$3,500 no competitive bid required
- >\$3,500 - <\$150,000 – prices quotes required
- >\$150,000 – competitive bids or proposals required

SFA Policies

- <\$10,000 no competitive bids required
- >\$10,000 but <\$25,000 – price quotes required
- >\$25,000 - competitive bids or proposal required

Current Purchasing Practices

Non-profit school food service funds

- Invoices from SY2015-2016
 - Foods and/or services purchased in the last school year
 - Which vendors were used
 - How much food and/or services was purchased from each vendor
 - Frequency of goods/services purchase from each vendor
 - Is a single category or multiple categories of foods purchased from each vendor
 - What is your justification for current purchasing practices

Identifying Procurement Event

- Items are purchased weekly from the local grocery store(s)
- Milk purchased from one vendor and delivered weekly
- Bread purchased from one vendor and delivered weekly
- Purchases of goods and services from a prime vendor
- Purchase of local fresh produce from a farmer

Quiz: Which Procurement Method?

District XYZ

- | | |
|---|--|
| <ul style="list-style-type: none"> • Small Purchase Threshold \$50,000 • No competitive bid required under \$10,000 • Purchases must be estimated on an annual basis | <ul style="list-style-type: none"> • Prime Vendor approximately \$100,000/year • Milk and Dairy \$750.00/week or \$30,000/year • New dishwasher \$7,000 • Spices, herbs, flavorings \$1,000/year |
|---|--|



Contract Award

- School Food Authority (SFA) should have the expertise to monitor the type of contract awarded:
 - Fixed Price Contract
 - Cost Reimbursable Contract

Code of Conduct

- Local Board Policy include:
 - Employee, officer, or agent of SFA shall not participate in selection, award, or administration of a contract if a conflict of interest, real or apparent exists
 - Employee, officer, or agent of SFA shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or subcontractors
 - Provide for disciplinary actions in event code is violated.

Meeting Requirements?

- Do your current purchasing practices meet procurement method requirements
 - if yes, put purchasing practice in writing
 - If no, change the practice to meet requirements. Put the revised practice in writing

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